

# All Funds Summary - Operating

## FY 2009 Resources

	General (110)	Water (210)	Sewer (220)	Refuse (230)	Parking (320)	SWM (330)	RedGate (340)	Spec. Act. (350)	CDBG (360)	TCMF (370)	Speed Camera (380)	Debt Serv. (550)	Total for All Funds
<b>Revenue</b>													
Taxes	33,317,420	-	-	-	115,000	-	-	-	-	820,090	-	-	34,252,510
Licenses & Permits	1,764,500	-	-	-	-	300,000	-	-	-	-	-	-	2,064,500
From Other Gov't.	17,472,259	20,000	-	-	363,000	-	-	-	608,000	-	-	-	18,463,259
Charges for Serv.	5,919,395	5,544,000	6,500,000	5,627,000	1,350,416	400,000	1,219,173	20,000	-	-	-	-	26,579,984
Fines & Forfeitures	824,000	-	-	-	460,000	-	-	-	-	-	4,800,000	-	6,084,000
Use of Money & Prop.	809,676	85,000	155,000	100,000	300,000	300,000	-	323,100	-	-	-	531,000	2,603,776
Other Revenue	1,729,123	5,000	-	-	-	-	-	-	-	-	-	-	1,734,123
<b>Total Revenue</b>	61,836,373	5,654,000	6,655,000	5,727,000	2,588,416	1,000,000	1,219,173	343,100	608,000	820,090	4,800,000	531,000	91,782,152
Transfers In	-	461,000	-	30,000	950,000	-	93,000	-	-	-	-	4,483,929	6,017,929
<b>Total Resources</b>	61,836,373	6,115,000	6,655,000	5,757,000	3,538,416	1,000,000	1,312,173	343,100	608,000	820,090	4,800,000	5,014,929	97,800,081
Appr. Fund Bal/Net Assets	-	926,715	288,150	-	523,984	1,259,382	275,745	1,438,512	-	-	-	215,071	4,927,559
<b>TOTAL</b>	61,836,373	7,041,715	6,943,150	5,757,000	4,062,400	2,259,382	1,587,918	1,781,612	608,000	820,090	4,800,000	5,230,000	102,727,640

## FY 2009 Use of Funds

	General (110)	Water (210)	Sewer (220)	Refuse (230)	Parking (320)	SWM (330)	RedGate (340)	Spec. Act. (350)	CDBG (360)	TCMF (370)	Speed Camera (380)	Debt Serv. (550)	Total for All Funds
<b>Operating Exp.</b>													
Personnel	37,380,591	2,940,206	1,263,439	2,716,403	408,767	1,376,094	780,081	24,447	136,000	-	335,593	-	47,361,621
Operating	12,580,680	1,881,009	3,437,511	1,951,595	1,016,133	579,288	489,001	162,190	472,000	820,090	2,074,109	55,000	25,518,606
Capital Outlay	747,308	205,500	13,200	-	-	-	91,236	170,000	-	-	-	-	1,227,244
Administrative	-	431,000	241,000	456,000	85,000	154,000	95,000	-	-	-	-	-	1,462,000
Other	1,117,170	1,203,000	905,000	302,000	1,106,500	150,000	120,100	1,424,975	-	-	3,000	10,000	6,341,745
<b>Total Operating Exp.</b>	51,825,749	6,660,715	5,860,150	5,425,998	2,616,400	2,259,382	1,575,418	1,781,612	608,000	820,090	2,412,702	65,000	81,911,216
<b>Other Uses of Funds</b>													
Principal	-	-	-	-	-	-	-	-	-	-	-	3,468,000	3,468,000
Interest	-	381,000	743,000	133,000	1,446,000	-	12,500	-	-	-	-	1,697,000	4,412,500
Capital Improvements	4,453,695	-	-	-	-	-	-	-	-	-	-	-	4,453,695
Transfers Out	5,556,929	-	340,000	121,000	-	-	-	-	-	-	-	-	6,017,929
<b>Total Other Uses</b>	10,010,624	381,000	1,083,000	254,000	1,446,000	-	12,500	-	-	-	-	5,165,000	18,352,124
<b>Total Use of Funds</b>	61,836,373	7,041,715	6,943,150	5,679,998	4,062,400	2,259,382	1,587,918	1,781,612	608,000	820,090	2,412,702	5,230,000	100,263,340
Add. Fund Bal/Net Assets	-	-	-	77,002	-	-	-	-	-	-	2,387,298	-	2,464,300
<b>TOTAL</b>	61,836,373	7,041,715	6,943,150	5,757,000	4,062,400	2,259,382	1,587,918	1,781,612	608,000	820,090	4,800,000	5,230,000	102,727,640

# All Funds Summary - Capital Improvements Program (CIP)

The Capital Improvements Program (CIP) is the City's capital investment plan for the next five-years. The CIP is both a fiscal and planning device that allows the City to inventory and monitor capital project costs, funding sources, departmental responsibilities, and timing schedules. Each year the CIP is reviewed in the context of ongoing City, County, State, and Federal planning programs and policies as well as the City's Master Plan. Items included within the CIP are usually defined within one of the following six categories:

1. The acquisition of land for a public purpose.
2. The construction of a significant facility, i.e., a building or a road, or the addition to or extension of an existing facility.
3. Nonrecurring rehabilitation or major repair to all or part of a facility provided the total cost per fiscal year is more than \$100,000.
4. Any specific planning, engineering study, or design work related to an individual project falling within the above three categories.
5. Any long-term project funded through a grant where the establishment of a CIP project is a condition of the grant.
6. A significant one-time investment in tangible goods of any nature, the benefit of which will accrue over a multi-year period over \$100,000.

The CIP is divided into five program areas for FY 2009 as shown below. These program areas focus on supporting the Mayor and Council's goals as outlined in Section 2 Policies and Goals.

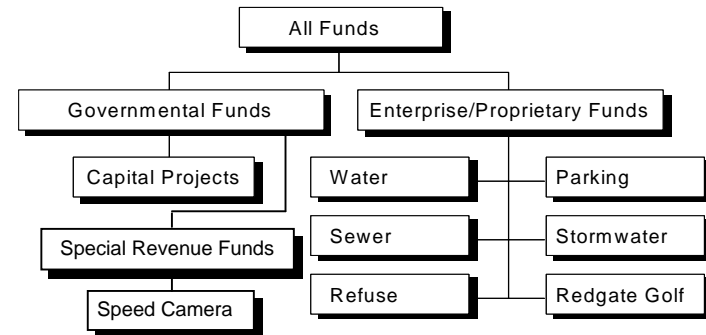
Program Area	New Approps.
Recreation and Parks	3,224,041
Transportation	4,735,120
Stormwater Management	375,000
Utilities	4,620,350
General Government	7,512,234
<b>Total</b>	<b>20,466,745</b>

## FY 2009 - FY 2013 Operating Cost Impacts by Fund

Most capital projects affect future operating budgets due to an increase or decrease in maintenance costs or by providing capacity for new programs to be offered. Such impacts vary widely by project and are evaluated individually while assessing the project's feasibility. Figures are listed on the project sheets in the CIP budget (separate book), to demonstrate the operating cost impact of a project. The following chart lists the total operating cost impacts, by fund and fiscal year, that will be added to the City's operating budget.

Fund	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
General	530,569	369,516	251,155	259,637	27,915
Water	7,500	-	10,400	25,000	-
Sewer	7,700	7,900	5,000	-	-
Refuse	46,825	15,897	9,893	10,190	-
Park	7,497	-	-	-	-
SWM	3,000	3,500	-	3,500	2,000
Speed	6,075	-	-	-	-
<b>Total</b>	<b>609,166</b>	<b>396,813</b>	<b>276,448</b>	<b>298,327</b>	<b>29,915</b>

## FY 2009 - FY 2013 CIP Fund Accounts



## FY 2009 New Appropriations

Revenue Types	Cap. Proj. (420)	Water (210)	Sewer (220)	Refuse (230)	Parking (320)	SWM (330)	RedGate (340)	Spd. Cam. (380)	Total for All Funds
Pay-as-you-go	11,906,605	962,550	1,272,680	480,700	12,000	360,000	200,120	1,452,440	16,647,095
Bond Proceeds	-	2,548,800	-	755,503	-	-	-	-	3,304,303
Developer Contributions	218,688	-	-	-	-	-	-	-	218,688
State and Federal Grants	207,382	-	-	-	-	-	-	-	207,382
Other	89,277	-	-	-	-	-	-	-	89,277
<b>TOTAL New CIP Funds</b>	<b>12,421,952</b>	<b>3,511,350</b>	<b>1,272,680</b>	<b>1,236,203</b>	<b>12,000</b>	<b>360,000</b>	<b>200,120</b>	<b>1,452,440</b>	<b>20,466,745</b>

# All Funds Summary - Operating

The tables below offer a history of revenues and expenditures for all of the City's operating funds.

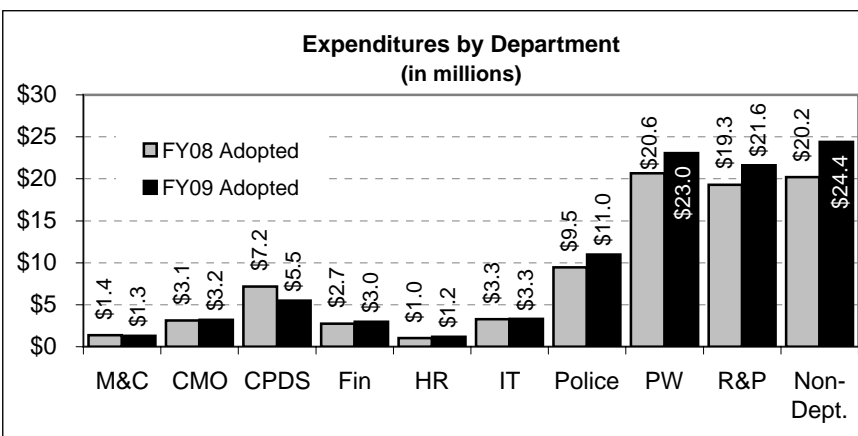
All Funds Revenues	Actual FY07	Adopted FY08	Adopted FY09	% Change
Taxes	31,282,975	32,835,178	34,252,510	4.3%
Licenses & Permits	2,372,174	2,014,500	2,064,500	2.5%
Other Governments	18,212,489	18,715,699	18,463,259	-1.3%
Charges for Services	22,688,660	23,000,115	26,579,984	15.6%
Fines and Forfeitures	1,439,682	2,844,200	6,084,000	113.9%
Use of Money & Prop.	4,122,113	2,760,662	2,603,776	-5.7%
Other / Transfers In	28,606,012	9,267,264	7,752,052	-16.4%
Appropriated Fund Balance / Net Assets	-	2,371,207	4,927,559	107.8%
<b>Total</b>	<b>108,724,105</b>	<b>93,808,825</b>	<b>102,727,640</b>	<b>9.5%</b>

All Funds Expenditures	Actual FY07	Adopted FY08	Adopted FY09	% Change
Personnel	39,524,143	44,537,744	47,361,621	6.3%
Operating	16,745,138	23,062,109	25,453,606	10.4%
Capital Outlay	844,776	1,971,287	1,227,244	-37.7%
Administrative	1,376,500	1,417,500	1,462,000	3.1%
Other / Transfers Out	13,875,112	6,705,119	7,194,674	7.3%
Transfer to CIP	10,312,824	2,365,002	4,453,695	88.3%
Addition to Fund Balance / Net Assets	-	957,080	2,464,300	157.5%
Debt Service	8,105,927	7,282,092	7,880,500	8.2%
<b>Subtotal</b>	<b>90,784,420</b>	<b>88,297,933</b>	<b>97,497,640</b>	<b>10.4%</b>
Debt Service Fund	5,657,692	5,510,892	5,230,000	-5.1%
<b>Total</b>	<b>96,442,112</b>	<b>93,808,825</b>	<b>102,727,640</b>	<b>9.5%</b>

The table below summarizes expenditures by department, for all funds combined.

Expenditures by Department	Actual FY07	Adopted FY08	Adopted FY09	% Change
Mayor and Council	1,316,457	1,389,543	1,277,983	-8.0%
City Manager	2,665,281	3,116,926	3,207,281	2.9%
CPDS	4,200,519	7,184,377	5,507,919	-23.3%
Finance	2,513,565	2,726,005	2,968,872	8.9%
Human Resources	936,032	1,017,534	1,172,820	15.3%
Information and Tech.	2,910,287	3,266,938	3,334,393	2.1%
Police	7,234,977	9,455,841	10,979,241	16.1%
Public Works	16,906,221	20,644,809	23,048,323	11.6%
Recreation & Parks	16,496,640	19,283,496	21,614,805	12.1%
Non-departmental	35,604,442	20,212,464	24,386,003	20.6%
<b>Subtotal</b>	<b>90,784,420</b>	<b>88,297,933</b>	<b>97,497,640</b>	<b>10.4%</b>
Debt Service Fund *	5,657,692	5,510,892	5,230,000	-5.1%
<b>Total</b>	<b>96,442,112</b>	<b>93,808,825</b>	<b>102,727,640</b>	<b>9.5%</b>

\* The Debt Service Fund receives transfers from other funds to pay off general obligation bonds. Since these transfers are already listed as Debt Service expenditures within originating funds, there is a double-counting effect when the Debt Service Fund records the same expenditures. For this reason, the Debt Service Fund is isolated.

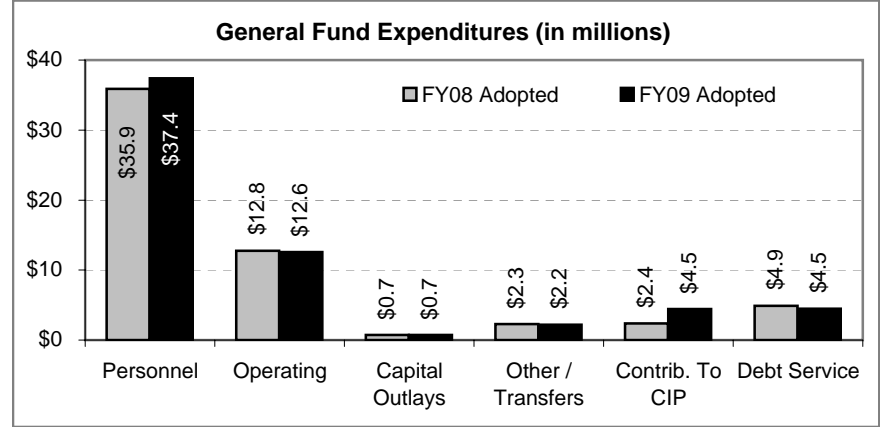


# General Fund Summary

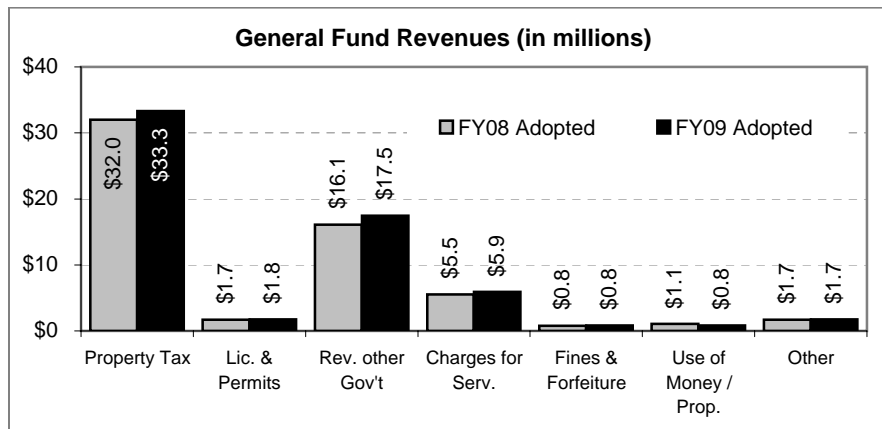
The General Fund is the primary operating fund of the City and is used to account for the City's normal activities. Many of the City administrative functions are supported through this fund. The major revenue sources for the General Fund are property taxes, income taxes, gasoline and motor vehicle taxes, tax duplication payments from Montgomery County, and charges or user fees for services.

Expenditures by Department	Actual FY07	Adopted FY08	Adopted FY09	% Change
Mayor and Council	1,311,133	1,359,543	1,267,983	-6.7%
City Manager	2,665,281	3,116,926	3,207,281	2.9%
CPDS	3,729,444	4,685,027	4,079,829	-12.9%
Finance	1,740,305	1,914,805	2,135,525	11.5%
Human Resources	936,032	1,017,534	1,172,820	15.3%
Information and Tech.	2,910,287	3,266,938	3,334,393	2.1%
Police	6,952,314	8,266,077	8,326,353	0.7%
Public Works	5,913,393	6,635,945	6,338,329	-4.5%
Recreation & Parks	15,296,877	17,620,726	18,926,806	7.4%
Non-departmental	20,045,980	11,023,384	13,047,054	18.4%
<b>Total</b>	<b>61,501,046</b>	<b>58,906,905</b>	<b>61,836,373</b>	<b>5.0%</b>

Expenditures by Type	Actual FY07	Adopted FY08	Adopted FY09	% Change
Salaries	24,872,690	27,379,925	28,393,539	3.7%
Benefits	6,603,131	7,730,006	8,222,291	6.4%
Overtime	750,210	787,276	764,761	-2.9%
Personnel Subtotal	32,226,031	35,897,207	37,380,591	4.1%
Contractual Services	6,308,899	7,948,259	7,521,126	-5.4%
Commodities	4,153,091	4,802,757	5,059,554	5.3%
Operating Subtotal	10,461,990	12,751,016	12,580,680	-1.3%
Capital Outlay	540,260	709,378	747,308	5.3%
Other / Transfer	2,309,142	2,278,410	2,190,170	-3.9%
Contribution to CIP	10,312,824	2,365,002	4,453,695	88.3%
Debt Service Transfer	5,650,800	4,905,892	4,483,929	-8.6%
<b>Total</b>	<b>61,501,046</b>	<b>58,906,905</b>	<b>61,836,373</b>	<b>5.0%</b>



General Fund Revenues	Actual FY07	Adopted FY08	Adopted FY09	% Change
Property Taxes	31,192,975	32,024,080	33,317,420	4.0%
Licenses and Permits	2,114,909	1,714,500	1,764,500	2.9%
Rev. from Other Gov't.	17,678,571	16,107,699	17,472,259	8.5%
Charges for Services	5,296,741	5,539,942	5,919,395	6.8%
Fines and Forfeitures	877,137	774,000	824,000	6.5%
Use of Money / Property	1,271,860	1,073,812	809,676	-24.6%
Other Revenue	1,755,881	1,672,872	1,729,123	3.4%
<b>Total</b>	<b>60,188,073</b>	<b>58,906,905</b>	<b>61,836,373</b>	<b>5.0%</b>



# General Fund Revenues, Detail of Major Revenue Sources

## Property Taxes - General

This category of revenue consists of taxes on the assessed value of real estate (including land and structures on the land) and taxes on the assessed value of personal property (inventory, furniture, and fixtures of business establishments). The tax rate is the amount levied per \$100 of assessed value, as determined by the State of Maryland Department of Assessments and Taxation. The Mayor and Council establish the tax rate each year in order to finance General Fund activities. In FY 2009, property taxes are budgeted to constitute approximately 53.8 percent of the City's General Fund budget.

The assessable base of all taxable property fluctuates because of changes to the fair cash value of the existing base or because of the addition of new residential or commercial properties. The current projected increase in the tax base is fueled by a combination of development activities and reassessments of existing property.

## Real Property Tax

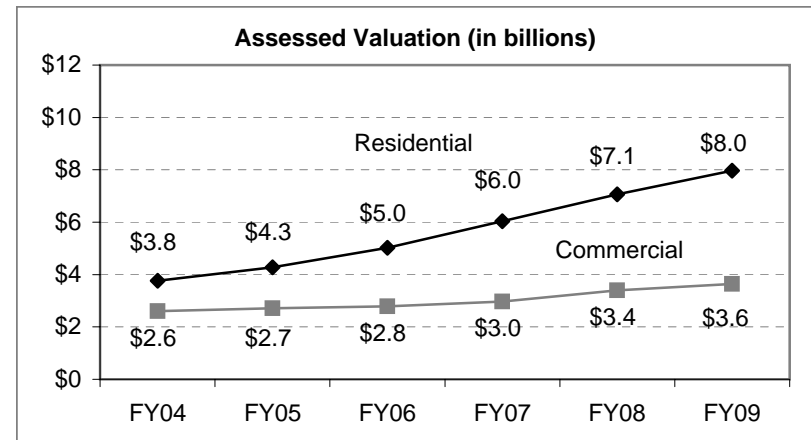
The City of Rockville's real property tax rate for FY 2009 was reduced by one cent from \$0.302 to \$0.292 for every \$100 of assessed value. The State Department of Assessments and Taxation (SDAT) reassesses real property every three years, and tax bills are based on those assessments. For homeowners, any increase to assessed value is phased in equally over a three-year period, and the resulting increase in the property tax bill is capped at ten percent.

History of Assessed Value of Real Property

Fiscal Year	Assessed Value	% Change
FY04 Actual	6,312,353,479	6.6%
FY05 Actual	7,193,741,551	14.0%
FY06 Actual	7,539,816,746	4.8%
FY07 Actual	9,008,163,075	19.5%
FY08 Estimate *	10,454,990,000	16.1%
FY09 Estimate *	11,602,200,000	11.0%

\* Estimates are based on assessed value as billed, which is limited by exemptions and the three-year phase-in.

In Maryland law, the constant yield tax rate is defined as the property tax rate that would yield the same tax revenue as the previous year, not including new construction. When assessments increase and the tax rate remains unchanged, property tax revenue increases. The constant yield rate is the rate that would offset the increase in tax revenue that results from the increase in assessed value. For FY 2009, the constant yield rate was calculated to be \$0.274 per \$100 of assessed value, or \$0.018 below the proposed property tax rate. The difference equates to \$2 million in property tax revenue resulting from increased home values. In accordance with Maryland law, the constant yield rate was advertised and hearings were held prior to budget adoption.



## Assumptions:

The adopted FY 2009 budget for taxes on real property is based on the following information sources and assumptions:

- The calculation of the assessed value begins with an estimate prepared by SDAT of the assessed value of all real property that will be on the tax rolls as of the beginning of FY 2009, based on assessments conducted as of January 1, 2008.
- The City adds its estimate of the value of residential and commercial development that would be completed and assessed during the remainder of FY 2008 and throughout FY 2009.
- The revenue estimate is based on multiplying the assessed value by the tax rate, taking into consideration when new property is levied, the impact of appeals and late payments, and the possibility of less than anticipated growth.

# General Fund Revenues, Detail of Major Revenue Sources

## Personal Property Tax

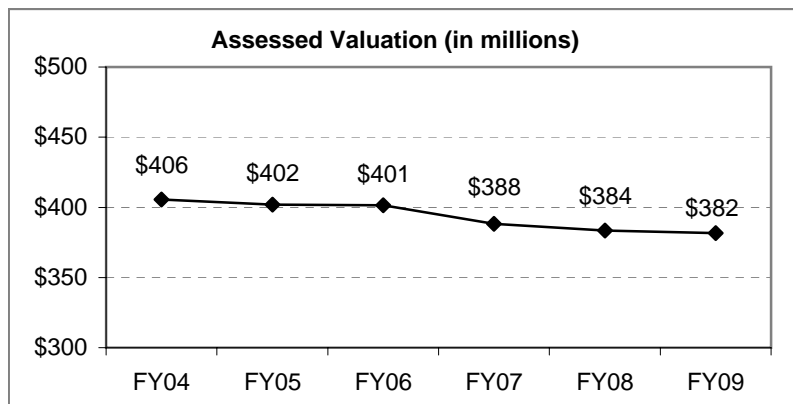
The City of Rockville's FY 2009 Personal Property tax rate remains unchanged at \$0.805 cents per \$100 of assessed value. In accordance with Maryland law, the personal property tax only applies to businesses. The City has enacted the following exemptions from personal property tax: (1) 82% of the value of commercial inventory; (2) 82% of the value of manufacturing or research and development inventory; and (3) 100% of the value of manufacturing or research and development machinery.

There is limited growth in the assessed value of personal property in the City of Rockville due to the number of businesses that focus on technology. Computers and other types of high tech equipment depreciate more rapidly leading to slower growth in the overall assessed value for commercial property.

### History of Assessed Value of Personal Property

Fiscal Year	Assessed Value	% Change
FY04 Actual	405,552,350	-14.0%
FY05 Actual	401,877,050	-0.9%
FY06 Actual	401,458,510	-0.1%
FY07 Actual	388,343,729	-3.3%
FY08 Estimate *	383,500,000	-1.2%
FY09 Estimate *	381,700,000	-0.5%

\* The FY08 and FY09 estimates are based on assessments from SDAT. The impact of appeals, late payments, and the collection rate is taken into consideration in the estimates.



## Real Property Tax Credit

The combined property tax receipts for FY 2009 are expected to amount to \$33.3 million, which is a 4.0% percent increase from the FY 2008 adopted budget. The real property tax revenue of \$30.2 million includes a \$100 one-time credit for each owner-occupied residential property. Under Maryland law, the City of Rockville may grant a real property tax credit that offsets increased income tax revenue. Increased income tax revenue is defined as revenue above what would be collected if the income tax rate were 2.6 percent. The income tax rate for Montgomery County is 3.2 percent allowing for a maximum credit of \$113 per owner-occupied residential property in the City of Rockville. With the \$100 credit, the City is providing approximately \$1.54 million in this type of tax relief for FY 2009. A one-time credit provides flexibility to the Mayor and Council by enabling them to review the program annually and make decisions based on the overall financial picture and resource availability of the City.

### Property Tax Revenue Summary

	Actual FY07	Adopted FY08	Adopted FY09	% Change
Real Property Tax - Revenues from taxes on assessed value of real estate including land, structures, and improvements	27,598,003	28,754,080	30,247,420	5.2%
Personal Property Corporations - Revenue from taxes on assessed valuation of inventory, furnishings, and fixtures of incorporated businesses	3,017,820	3,150,000	2,950,000	-6.3%
Personal Property Unincorporated Businesses - Revenue from taxes on assessed valuation of inventory, furnishings, and fixtures of unincorporated businesses	31,262	35,000	35,000	0.0%
Interest on Taxes - Interest on delinquent taxes	545,890	85,000	85,000	0.0%
	<b>31,192,975</b>	<b>32,024,080</b>	<b>33,317,420</b>	<b>4.0%</b>

# General Fund Revenues, Detail of Major Revenue Sources

## Revenue From Other Governments

### Income Tax

Income tax revenue consists of the City's share of income taxes received by the State of Maryland for returns filed from Rockville. Maryland counties are able to impose an income tax that is separate from the State income tax. According to Maryland law, municipalities receive 17 percent of collected county income taxes. Montgomery County's income tax rate is currently 3.2 percent.

There has been growth in income tax receipts in the past few years due to the City's population growth. The estimated actual FY 2008 income tax revenue is approximately \$9.0 million and the City anticipates moderate growth to continue into FY 2009. The income tax is the second largest source of revenue to the General Fund, constituting 15 percent of the overall budget.

### History of Income Tax Revenue

Fiscal Year	Income Tax Revenue *	% Change
FY05 Actual	7,874,409	12.2%
FY06 Actual	9,035,343	14.7%
FY07 Actual	9,816,933	8.7%
FY08 Amended	9,500,000	-3.2%
FY09 Adopted	9,300,000	-2.1%

\* Capital gains and losses reported on income tax returns can cause major variations from one year to the next.

### Highway User

Highway user revenue is the City's share of gasoline tax and vehicle registrations collected by the state. The highway user revenue was reduced from adopted FY 2008 to adopted FY 2009 based on a Maryland State Highway Administration (SHA) estimate. SHA estimates FY 2009 revenues at approximately \$3.0 million based on registration and mileage figures.

### Tax Duplication

This is revenue received from Montgomery County as a partial reimbursement for tax duplication. Several factors, such as number of street lights and number of street miles maintained by the City, determines what the City receives each year. Montgomery County continues to work on a new plan to determine the amount of tax duplication that municipalities will receive, but the City will assume the same amount of revenue for FY 2009 as received in FY 2008.

### Hotel Tax

This revenue consists of the City's share of taxes imposed on a person who pays for a room or space at a hotel. This is the first year the City will implement the 2% tax, which will be taken to the Mayor and Council for approval in July 2008. The City estimates revenues of \$600,000 for nine months starting in Oct. 2008.

## Revenue from Other Governments Summary

	Actual FY07	Adopted FY08	Adopted FY09	% Change
Income Tax	9,816,933	8,300,000	9,300,000	12.0%
Highway User	3,264,162	3,200,000	3,000,000	-6.3%
Tax Duplication	2,228,449	2,228,449	2,228,449	0.0%
Hotel Tax	-	-	600,000	N/A
Police Protection Grant - State and Federal funds for police protection	651,181	620,000	620,000	0.0%
State Grant - State funds for Homeland Security efforts	21,349	9,400	-	-100.0%
County Grant - Linkages to Learning	178,229	181,575	181,575	0.0%
Youth and Family Services Grant - County and State payments for youth services	100,815	100,815	100,815	0.0%
Recreation Grants	32,820	31,000	31,000	0.0%
Admissions and Amusements Receipts - Taxes on admissions are returned to municipalities by the State	911,521	800,000	850,000	6.3%
Traffic Signal Maintenance Reimbursement - from the State for maintenance	4,876	5,000	5,000	0.0%
Cable Franchise Fees - City's share of Montgomery County's cable franchise fee and cable operating grant	452,712	517,960	532,420	2.8%
Payment in Lieu of Taxes - Revenue from Montgomery County in lieu of financial corporation taxes	13,265	13,000	13,000	0.0%
Miscellaneous Grants *	2,259	100,500	10,000	-90.0%
	<b>17,678,571</b>	<b>16,107,699</b>	<b>17,472,259</b>	<b>8.5%</b>

\* In the adopted FY 2008 budget, \$90,500 of Miscellaneous Grants is from a one-time Federal Safe Routes To School Grant.

# General Fund Revenues, Detail of Major Revenue Sources

## Licenses and Permits

Building permit receipts, the largest revenue source in this category, are not increasing due to the stabilization of development activity. The FY 2009 budget is based on estimated development during the fiscal year.

	Actual FY07	Adopted FY08	Adopted FY09	% Change
Traders Licenses - Fees collected from local businesses by the State and returned to the City	106,108	100,000	100,000	0.0%
Building Permits - Revenue from permits issued for building construction, electrical work, plumbing, sewer, water, and gas	1,429,511	1,100,000	1,100,000	0.0%
Rental Licenses - Licensing fee for the annual unit inspection of single-family dwellings	432,420	410,000	430,000	4.9%
Animal Licenses - Revenue from the sale of dog / cat licenses to owners within the City	24,283	22,500	22,500	0.0%
Other Non-Business Licenses - Revenue from the issuance of other local licenses / permits	122,588	82,000	112,000	36.6%
	<b>2,114,909</b>	<b>1,714,500</b>	<b>1,764,500</b>	<b>2.9%</b>

## Charges for Services

Revenues in this category come from charges to users who individually benefit from a particular service offered by the City. Recreation program fees, revenues from various recreation programs and classes, are 5.3 percent higher than the FY 2008 adopted figure and the largest revenue source in this category.

	Actual FY07	Adopted FY08	Adopted FY09	% Change
Recreation Program Fees	2,480,476	2,708,467	2,851,445	5.3%
Zoning Fees	128,863	108,000	78,000	-27.8%
Community Support Police - charges for community requests for police at community events	75,213	72,000	72,000	0.0%
Sale of Materials - revenues from City publications	24,851	15,000	20,000	33.3%
Fire Safety Fees - Revenue from fire inspection / permits	129,351	120,000	170,000	41.7%

	Actual FY07	Adopted FY08	Adopted FY09	% Change
Fire Review Fees - Revenue from fire codes plans review	87,811	36,000	66,000	83.3%
Public Works Permits - Fees paid by contractors for design review / inspection services for work within rights-of-way	213,808	150,000	200,000	33.3%
Swim Team Dues - Fees paid for the RMSC swim team	250,915	275,000	295,000	7.3%
Rec. Membership Fees - Fees paid for memberships to recreation and swim centers	517,187	533,850	610,425	14.3%
Recreation and Parks Concessions - Revenue received from concessions at City facilities	11,897	14,500	16,000	10.3%
Facility Rental Fees - Revenue received from the rental of City facilities	613,377	715,185	738,085	3.2%
Social Services Fees - Social services fees at the Senior Center	23,863	25,300	18,800	-25.7%
Special Events Fees - Corporate sponsorship of City events	28,110	20,000	20,000	0.0%
Rec. Theme Park Tickets - Revenue from sale of tickets to area theme parks through MD Rec. and Parks Assoc.	114,694	140,000	140,000	0.0%
F. Scott Fitzgerald Theatre Tickets - Revenue received from theater ticket sales	310,331	308,200	308,200	0.0%
Internal City Use of Facilities - Revenue received from the use of City facilities by City programs and events	20,130	25,740	22,740	-11.7%
Pool Merchandise Sales - Revenue received from merchandise sold at Swim Ctr	3,101	2,700	2,700	0.0%
Pool Admission Charges - Revenue received from admissions to the Swim Ctr	262,761	270,000	290,000	7.4%
	<b>5,296,741</b>	<b>5,539,942</b>	<b>5,919,395</b>	<b>6.8%</b>



# General Fund Revenues, Detail of Major Revenue Sources

## Fines and Forfeitures

Revenues received from red light camera infractions make up most of this category. The revenues from the red light camera citations cover the total cost to operate the program. Revenues from red light cameras are estimated to increase by 6.7 percent from adopted FY 2008 to FY 2009.

	Actual FY07	Adopted FY08	Adopted FY09	% Change
Municipal Infractions - Revenues received from fines for municipal infractions	13,120	15,000	15,000	0.0%
Red Light Camera Revenue - Revenue received from fines for red light infractions	843,547	750,000	800,000	6.7%
Confiscated Funds - Items seized by City Police during commission of a crime	20,470	9,000	9,000	0.0%
	<b>877,137</b>	<b>774,000</b>	<b>824,000</b>	<b>6.5%</b>

## Use of Money and Property

Interest earnings, the largest revenue source in this category, are projected to decrease by approximately 25.2 percent in FY 2009 due to the recent decline in short-term interest rates.

	Actual FY07	Adopted FY08	Adopted FY09	% Change
Interest Earnings - Interest received from the investment of City funds	1,093,366	900,000	673,421	-25.2%
Returned Check Fee	530	200	200	0.0%
Land Rental - Revenue from telecommunications companies for monopolies on City-owned property	120,536	127,962	136,055	6.3%
Building Rental - Revenue from the rental of City-owned buildings located on the King Farm	57,428	45,650	-	-100.0%
	<b>1,271,860</b>	<b>1,073,812</b>	<b>809,676</b>	<b>-24.6%</b>

## Other Revenue / Administrative Charges

Proceeds from the auction of used vehicles vary from year to year depending primarily on the number of vehicles being replaced. This same fluctuation pattern is evident for other miscellaneous revenues. This revenue category also includes charges to enterprise funds for centrally budgeted administrative or "overhead" costs. Each fund pays for its share of the costs through a transfer into the General Fund.

	Actual FY07	Adopted FY08	Adopted FY09	% Change
Sale of Vehicles - Proceeds from the vehicle auction	34,330	60,000	42,000	-30.0%
Misc. Revenues - Revenues not categorized elsewhere	260,264	97,000	132,000	36.1%
Community Contribution - Contributions from individuals and groups to sponsor specific programs	84,082	77,372	72,123	-6.8%
Other Grant Revenue - Mid-year anticipated grant revenue (undesignated)	-	20,000	20,000	0.0%
Recreation Fees (Swim)	705	1,000	1,000	0.0%
Water Facility Fund Administrative Charge	406,000	418,000	431,000	3.1%
Sewer Fund Administrative Charge	227,000	233,800	241,000	3.1%
Refuse Fund Administrative Charge	429,000	441,800	456,000	3.2%
RedGate Golf Course Fund Administrative Charge *	89,500	92,200	95,000	3.0%
Stormwater Management Fund Administrative Charge	145,000	149,300	154,000	3.1%
Parking Fund Administrative Charge	80,000	82,400	85,000	3.2%
	<b>1,755,881</b>	<b>1,672,872</b>	<b>1,729,123</b>	<b>3.4%</b>

\* A study that analyzed the financial situation of the golf course was presented to the Mayor and Council in March 2006. To address the deficit in the Fund, the administrative charge was reduced by 50 percent starting in FY07, marketing efforts were intensified, and there are capital improvements currently being made to the course.

# Enterprise Funds - Water Facility Fund

Enterprise funds are used to account for operations financed and operated in a manner similar to private business enterprises where the cost of expenses, including both operations and capital, are financed or recovered primarily through user charges. The City of Rockville has designated the following operations as enterprise funds: Water Facility, Sewer, Refuse, Parking, Stormwater Management (SWM), and RedGate Golf Course. These funds pay an administration charge to the General Fund to cover indirect costs. All enterprise funds are summarized below and on the pages that follow.

## Water Facility Fund

The Water Facility Fund is used to account for all financial activity associated with the treatment and distribution of potable water. The City provides water service to approximately 12,500 customers within the City limits.

Recently, the Department of Public Works finalized two comprehensive studies that evaluated the City's overall water program related to the Water Treatment Plant and the Water Distribution System. As a result of these two studies, there are significant operating and capital expenses related to addressing the concerns identified in each of the studies in the FY 2009 budget.

The FY 2009 budget will continue with the three-tiered water rate structure based on usage. The FY 2009 adopted usage rates are \$2.23 per 1,000 gallons for the first 12,000 gallons used in the quarter, \$3.20 per 1,000 gallons for the next 12,000 gallons used in the quarter, and \$3.44 per 1,000 gallons for usage beyond 24,000 gallons. In addition, the FY 2009 budget will continue with a ready-to-serve charge that is split between the Water and Sewer Funds. The amount of the charge is based on the size of the water meter and ranges from \$6.18 to \$741.60 per quarter, an increase of 3.0% over the FY 2008 adopted budget.

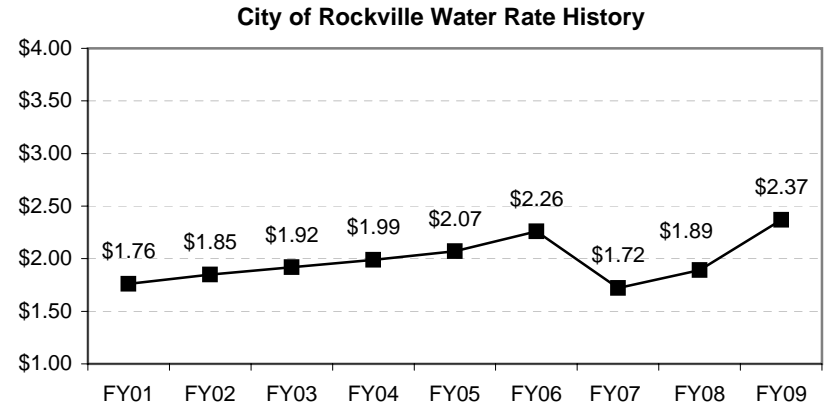
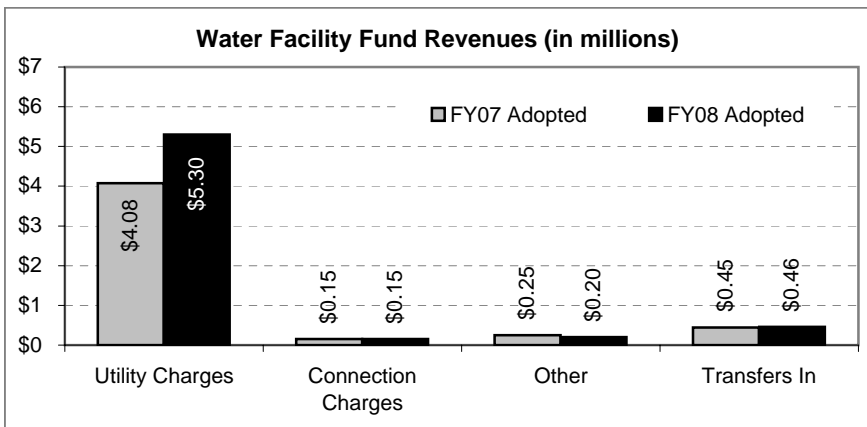
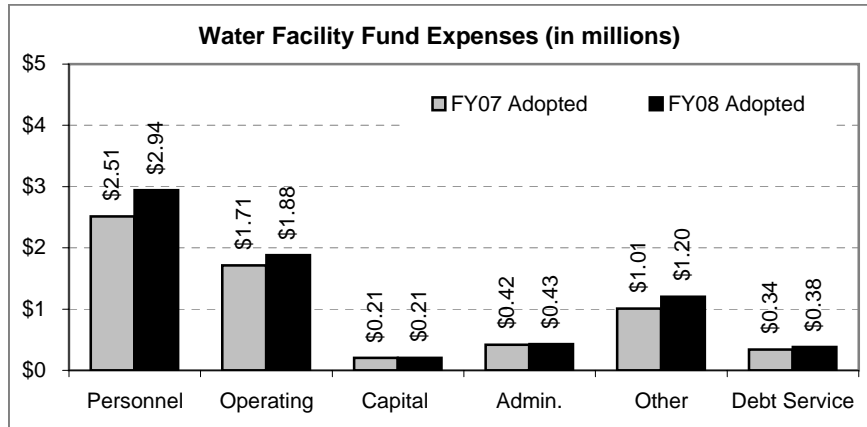
During FY 2009, the Department of Public Works will begin a water line replacement program that eventually will replace 33 miles of water lines over a 20 year period. The cost of this project is estimated at approximately \$73.9 million and can be found in the CIP budget on page 140.

Water Fund Revenues	Actual FY07	Adopted FY08	Adopted FY09	% Change
Sales of Materials	85,809	50,000	50,000	0.0%
Utility Charges	3,848,321	4,078,000	5,304,000	30.1%
Penalties	34,334	25,000	40,000	60.0%
Transfer From Sewer	320,000	329,600	340,000	3.2%
Transfer From Refuse	114,000	117,400	121,000	3.1%
Bay Admin. Fee	12,353	20,000	20,000	0.0%
Premium on Bonds Sold	3,528	-	-	N/A
Misc. Revenue	102,332	-	5,000	N/A
Connection Charges	624,626	150,000	150,000	0.0%
Interest Income	210,334	155,000	85,000	-45.2%
Approp. Net Assets	-	1,272,244	926,715	-27.2%
<b>Total</b>	<b>5,355,636</b>	<b>6,197,244</b>	<b>7,041,715</b>	<b>13.6%</b>

Water Fund Expenses	Actual FY07	Adopted FY08	Adopted FY09	% Change
Salaries	1,596,600	1,796,400	2,156,762	20.1%
Benefits	532,338	584,100	633,158	8.4%
Overtime	175,236	130,071	150,286	15.5%
Personnel Subtotal	2,304,174	2,510,571	2,940,206	17.1%
Contractual Services	305,246	356,901	431,267	20.8%
Commodities	1,013,630	1,354,772	1,449,742	7.0%
Operating Subtotal	1,318,876	1,711,673	1,881,009	9.9%
Capital Outlay	226,892	205,500	205,500	0.0%
Administrative Charge	406,000	418,000	431,000	3.1%
Other Charges	1,138,353	1,009,500	1,203,000	19.2%
Addition to Net Assets	-	-	-	N/A
Debt Service	353,805	342,000	381,000	11.4%
<b>Total</b>	<b>5,748,101</b>	<b>6,197,244</b>	<b>7,041,715</b>	<b>13.6%</b>

# Enterprise Funds - Water Facility Fund

Water Fund by Department	Actual FY07	Adopted FY08	Adopted FY09	% Change
Finance	773,260	811,200	833,346	2.7%
Public Works	3,007,231	3,481,344	4,049,661	16.3%
Non-Departmental	1,967,610	1,904,700	2,158,708	13.3%
<b>Total</b>	<b>5,748,101</b>	<b>6,197,244</b>	<b>7,041,715</b>	<b>13.6%</b>



\* The rates shown above represent the usage charge per 1,000 gallons, assuming an average usage of 14,000 gallons per quarter. For FY09, Rockville will also charge a flat fee of \$9.27 per quarter for most households (see table below).

The table below reflects the fixed monthly charge that is based on meter size. The charge is split evenly between water and sewer.

Meter Size	Monthly	Quarterly
5/8"	\$2.06	\$6.18
3/4"	\$3.09	\$9.27
1"	\$5.15	\$15.45
1 1/2"	\$10.30	\$30.90
2"	\$16.48	\$49.44
3"	\$32.96	\$98.88
4"	\$51.50	\$154.50
6"	\$103.00	\$309.00
8"	\$164.80	\$494.40
10"	\$247.20	\$741.60

# Enterprise Funds - Sewer Fund

## Sewer Fund

The Sewer Fund accounts for the financial activity associated with the collection and treatment of sewage. Charges are based on water consumption unless the customer uses a sub-meter. Nearly all of the capital costs in the Sewer Fund and a substantial portion of the operating costs are payments for the operation of and capital improvements to the Blue Plains Wastewater Treatment Plant. The 1998 Master Plan for the District of Columbia Water and Sewer Authority (DCWASA) included a significant increase in planned capital costs. The City's share of Blue Plains' capital improvements is proportionate to the City's allocation of treatment capacity. The Blue Plains Waste Water Treatment CIP project contains additional information regarding the City's capital costs for sewer treatment.

The Sewer Fund budget for FY 2009 is based on the March 2006 Water and Sewer Rate Study recommendations approved by the Mayor and Council on June 5, 2006. The FY 2009 adopted sewer charge equals \$3.97 per 1,000 gallons. This is an increase of \$0.15 or 3.93% over the FY08 adopted rate of \$3.82 per 1,000 gallons. This rate is slightly lower than what was included in the March 2006 Water and Sewer Rate Study. In addition, the study recommended a ready-to-serve charge that is split equally between the Water and Sewer Funds. The amount of the charge is based on the size of the water meter and ranges from \$6.18 to \$741.60 per quarter, an increase of 3.0% over the FY 2008 adopted budget.

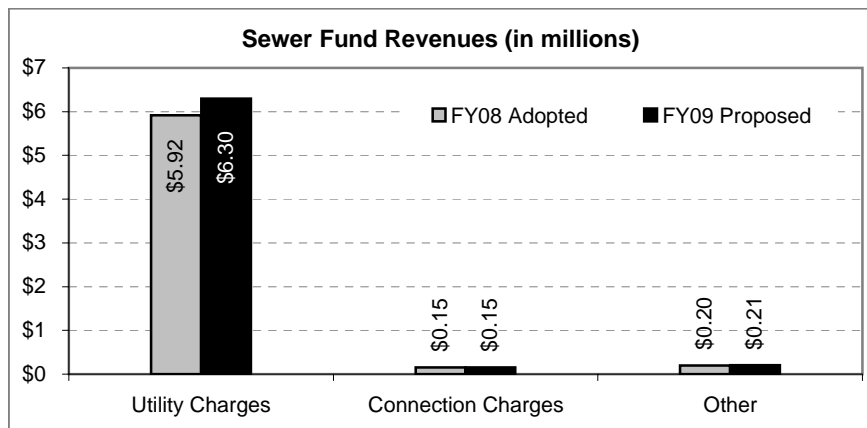
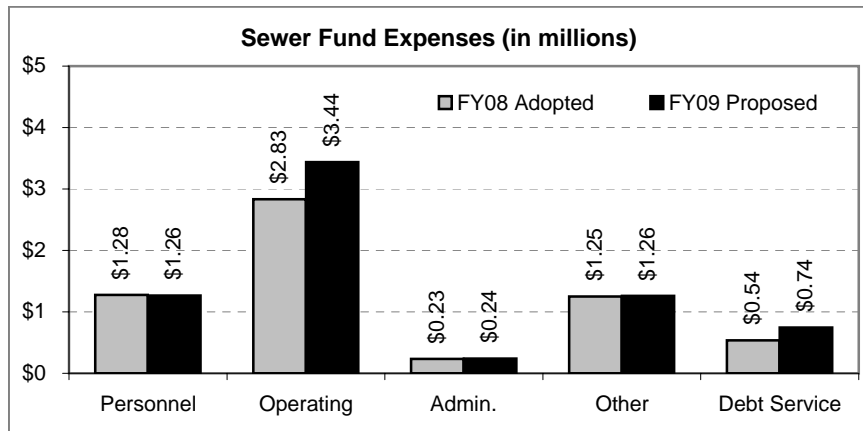
Revenue projections for the fund are based upon the City's growth forecast regarding development planned for future years. The number of planned and current sewer accounts is then multiplied by the estimated rates for the fund. Sewer Fund revenue is projected to be \$6.35 million for FY 2009, net of connection charges and interest income.

Sewer Fund Revenues	Actual FY07	Adopted FY08	Adopted FY09	% Change
Utility Charges	5,530,884	5,917,000	6,300,000	6.5%
Penalties	50,186	45,000	50,000	11.1%
Connection Charges	617,731	150,000	150,000	0.0%
Interest Income	201,814	155,000	155,000	0.0%
Premium on Bonds Sold	4,162	-	-	N/A
Other	1,952	-	-	N/A
Appr. Net Assets	-	-	288,150	N/A
<b>Total</b>	<b>6,406,730</b>	<b>6,267,000</b>	<b>6,943,150</b>	<b>10.8%</b>

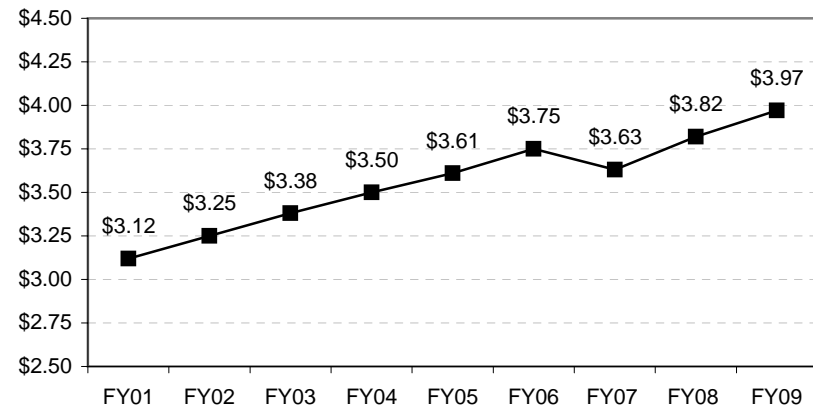
Sewer Fund Expenses	Actual FY07	Adopted FY08	Adopted FY09	% Change
Salaries	838,734	907,276	909,034	0.2%
Benefits	223,427	287,100	271,313	-5.5%
Overtime	91,428	81,236	83,092	2.3%
<b>Personnel Subtotal</b>	<b>1,153,589</b>	<b>1,275,612</b>	<b>1,263,439</b>	<b>-1.0%</b>
Contractual Services	2,326,920	2,631,429	3,243,347	23.3%
Commodities	111,645	199,727	194,164	-2.8%
<b>Operating Subtotal</b>	<b>2,438,565</b>	<b>2,831,156</b>	<b>3,437,511</b>	<b>21.4%</b>
Capital Outlays	-	-	13,200	N/A
Administrative Charge	227,000	233,800	241,000	3.1%
Other / Transfers	1,054,042	1,247,600	1,245,000	-0.2%
Addition to Net Assets	-	139,832	-	-100.0%
Debt Service	571,416	539,000	743,000	37.8%
<b>Total</b>	<b>5,444,611</b>	<b>6,267,000</b>	<b>6,943,150</b>	<b>10.8%</b>

# Enterprise Funds - Sewer Fund

Sewer Fund by Department	Actual FY07	Adopted FY08	Adopted FY09	% Change
Mayor and Council	-	5,000	-	-100.0%
Public Works	3,554,976	4,011,368	4,622,222	15.2%
Non-Departmental	1,889,635	2,250,632	2,320,928	3.1%
<b>Total</b>	<b>5,444,611</b>	<b>6,267,000</b>	<b>6,943,150</b>	<b>10.8%</b>



**City of Rockville Sewer Rate History**



\* The rates shown above represent the usage charge per 1,000 gallons. Rockville also charges a flat fee that is \$9.27 per quarter for most households (see table below).

The table below reflects the fixed monthly charge that is based on meter size. The charge is split evenly between water and sewer.

Meter Size	Monthly	Quarterly
5/8"	\$2.06	\$6.18
3/4"	\$3.09	\$9.27
1"	\$5.15	\$15.45
1 1/2"	\$10.30	\$30.90
2"	\$16.48	\$49.44
3"	\$32.96	\$98.88
4"	\$51.50	\$154.50
6"	\$103.00	\$309.00
8"	\$164.80	\$494.40
10"	\$247.20	\$741.60

# Enterprise Funds - Refuse Fund

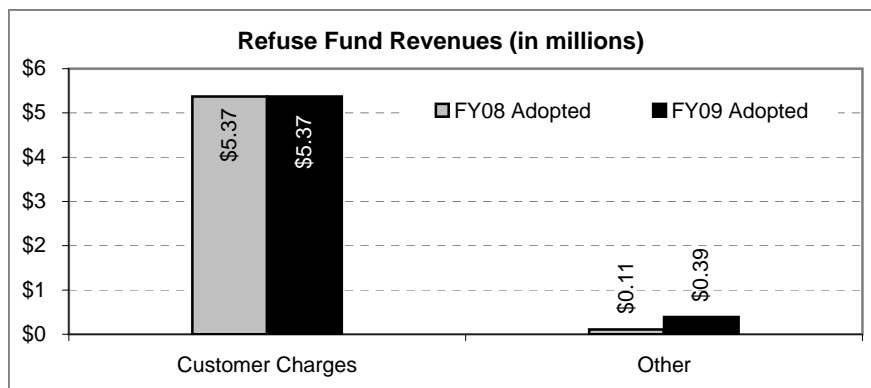
## Refuse Fund

The Refuse Fund is used to account for the financial activity associated with the collection and disposal of refuse, recycling, and yardwaste. As approved by the Mayor and Council on December 17, 2007 the FY 2009 adopted budget is based on a semi-automated once per week refuse and recycling program. The refuse rate for the FY 2009 adopted budget remains the same as the adopted FY 2008 rate of \$32.70 per month. The semi-automated once per week system provides reduced operating expenses because less personnel, contractual services, commodities, and vehicles and equipment are needed.

Revenue projections for the fund are based upon the City's growth forecast regarding development planned for future years. The number of planned and current refuse accounts is multiplied by the estimated rates for the fund. Refuse Fund revenue is projected to be \$5.6 million for FY 2009, net of interest income and transfer from the General Fund.

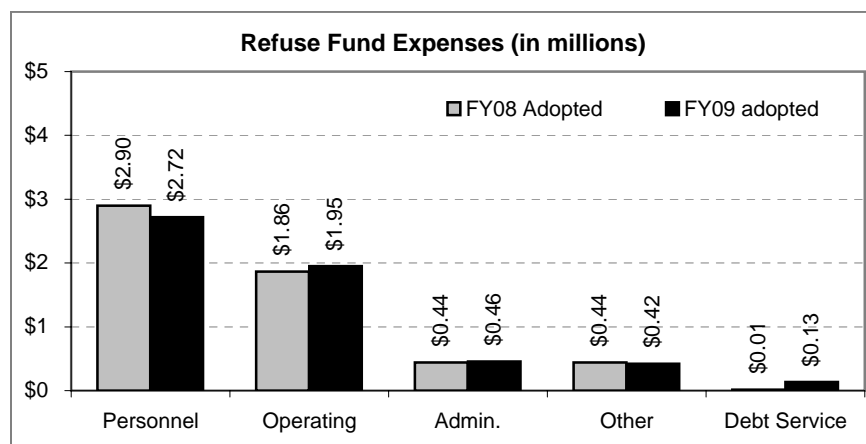
Refuse Fund Revenues	Actual FY07	Adopted FY08	Adopted FY09	% Change
Customer Charges	5,067,895	5,369,000	5,369,000	0.0%
Penalties	58,890	41,000	50,000	22.0%
Interest Income	24,773	5,000	100,000	1900.0%
Transfer General Fund *	30,000	60,000	30,000	-50.0%
Premium on Bonds Sold	53	-	-	N/A
Sale of Materials	1,331	-	208,000	N/A
Approp. Net Assets	-	186,061	-	-100.0%
<b>Total</b>	<b>5,182,941</b>	<b>5,661,061</b>	<b>5,757,000</b>	<b>1.7%</b>

\* Supports refuse pickup for Rockville Housing Enterprises (RHE) housing units.



Refuse Fund Expenses	Actual FY07	Adopted FY08	Adopted FY09	% Change
Salaries	1,758,364	2,064,600	1,965,559	-4.8%
Benefits	572,555	722,900	622,700	-13.9%
Overtime	108,546	112,238	128,144	14.2%
<b>Personnel Subtotal</b>	<b>2,439,465</b>	<b>2,899,738</b>	<b>2,716,403</b>	<b>-6.3%</b>
Contractual Services	1,194,302	1,527,389	1,533,714	0.4%
Commodities	271,488	336,834	417,881	24.1%
<b>Operating Subtotal</b>	<b>1,465,790</b>	<b>1,864,223</b>	<b>1,951,595</b>	<b>4.7%</b>
Capital Outlays	4,725	-	-	N/A
Administrative Charge	429,000	441,800	456,000	3.2%
Other / Transfers	323,706	441,500	423,000	-4.2%
Debt Service	18,034	13,800	133,000	863.8%
Addition to Net Assets	-	-	77,002	N/A
<b>Total</b>	<b>4,680,720</b>	<b>5,661,061</b>	<b>5,757,000</b>	<b>1.7%</b>

Refuse Fund by Department	Actual FY07	Adopted FY08	Adopted FY09	% Change
Mayor and Council	-	10,000	-	-100.0%
Public Works	3,814,457	4,621,661	4,540,620	-1.8%
Non-Departmental	866,262	1,029,400	1,216,380	18.2%
<b>Total</b>	<b>4,680,720</b>	<b>5,661,061</b>	<b>5,757,000</b>	<b>1.7%</b>

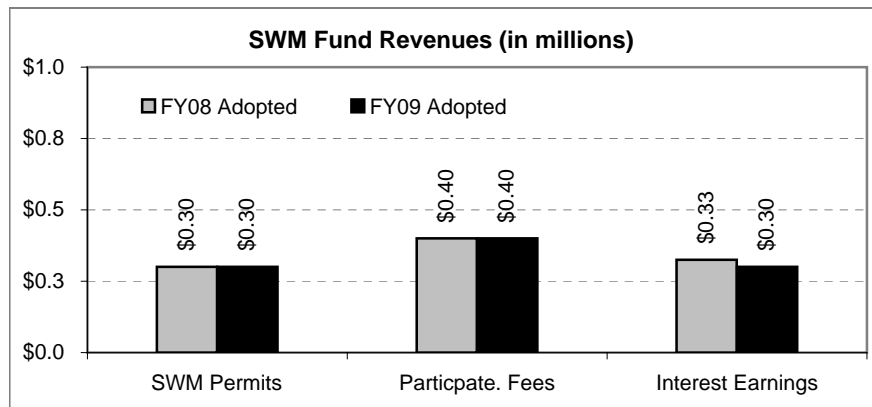


# Enterprise Funds - Stormwater Management Fund

## Stormwater Management Fund

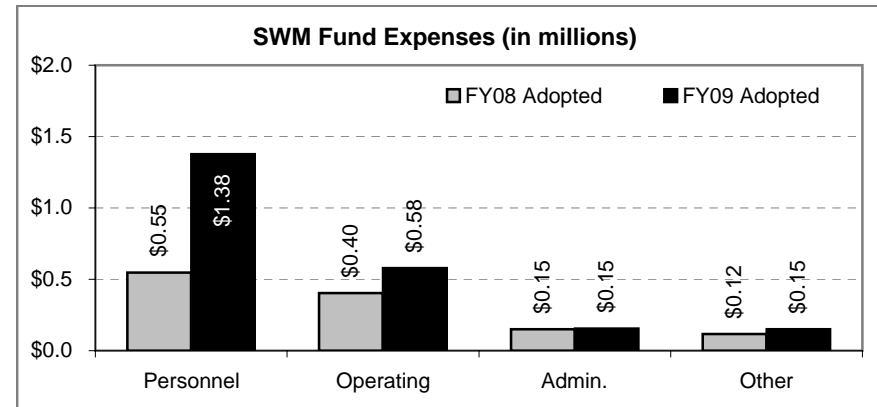
The Stormwater Management (SWM) Fund accounts for the financial activity associated with maintaining existing SWM facilities and constructing new facilities. Historically, rapid development has funded much of Rockville's stormwater management with fees imposed on developers. With new development nearly complete and redevelopment presenting different challenges, staff identified the need to seek other funding sources to cover the maintenance of the public stormwater infrastructure and new programs. On December 17, 2007 staff introduced a new ordinance to amend the City Code to include a new Stormwater Management Utility Fee. This annual fee, based on Equivalent Residential Units ("ERUs"), was designed to provide a dedicated funding source for the SWM Fund. This fee is not recommended as part of the FY 2009 adopted budget, but will be recommended to begin in FY 2010.

SWM Fund Revenues	Actual FY07	Adopted FY08	Adopted FY09	% Change
SWM Permits	257,266	300,000	300,000	0.0%
Regional SWM Participation Fees	317,592	400,000	400,000	0.0%
Interest Earnings	433,661	325,000	300,000	-7.7%
Approp. Net Assets	-	190,433	1,259,382	561.3%
<b>Total</b>	<b>1,008,519</b>	<b>1,215,433</b>	<b>2,259,382</b>	<b>85.9%</b>



SWM Fund Expenses	Actual FY07	Adopted FY08	Adopted FY09	% Change
Salaries	296,234	424,300	1,086,882	156.2%
Benefits	82,420	122,500	284,312	132.1%
Overtime	-	-	4,900	N/A
<b>Personnel Subtotal</b>	<b>378,654</b>	<b>546,800</b>	<b>1,376,094</b>	<b>151.7%</b>
Contractual Services	235,097	396,293	507,965	28.2%
Commodities	3,486	6,540	71,323	990.6%
<b>Operating Subtotal</b>	<b>238,584</b>	<b>402,833</b>	<b>579,288</b>	<b>43.8%</b>
Capital Outlays	-	1,500	-	-100.0%
Administrative Charge	145,000	149,300	154,000	3.1%
Other / Transfers	136,421	115,000	150,000	30.4%
Addition to Net Assets	-	-	-	N/A
<b>Total</b>	<b>898,658</b>	<b>1,215,433</b>	<b>2,259,382</b>	<b>85.9%</b>

SWM Fund by Department	Actual FY07	Adopted FY08	Adopted FY09	% Change
Mayor and Council	5,324	15,000	10,000	-33.3%
Public Works	603,932	924,533	1,934,602	109.3%
Non-Departmental	289,403	275,900	314,780	14.1%
<b>Total</b>	<b>898,658</b>	<b>1,215,433</b>	<b>2,259,382</b>	<b>85.9%</b>



# Enterprise Funds - Parking Fund

## Parking Fund

The Parking Fund was created to account for the revenue and expenses from parking related activities, including the issuance of parking tickets, the parking meter program, and costs associated with the operation of the three public parking garages in the City's Town Center.

In order to manage the operational costs, including debt service, of the three public garages within Town Square, the Town Center Parking District was formed. The District plays an important role in the entire City parking operation and it is unlikely that it will be self-supporting in its early years of operation. The \$950,000 transfer from the General Fund for FY 2009 will enable the Parking Fund to cover the debt service on \$36 million of bonds issued to support the construction of the Town Center parking garages. The Parking Fund will likely need ongoing support from the General Fund in order to service the parking debt over the thirty-year life of the bonds.

The Parking District Tax rate for FY 2009 will remain unchanged at \$0.30 per \$100 of assessed value in addition to the \$0.292 rate on all real property within the City. This tax will provide a contribution of \$115,000 towards funding the District. Federal Realty is the only property owner within the District. Additional revenue includes \$130,000 PILOT payment and \$180,000 in capital contributions from Montgomery County, and \$53,000 PILOT payment from the City of Rockville. Revenue from meters and violations are based on an estimated number of parking violations, parking meter rates, and parking meter usage. The Mayor and Council gave approval for the garages to start accepting payment starting on March 10, 2008. The rate is \$1.00 per hour from 7:00 am until 7:00 pm with no charge on the weekends.

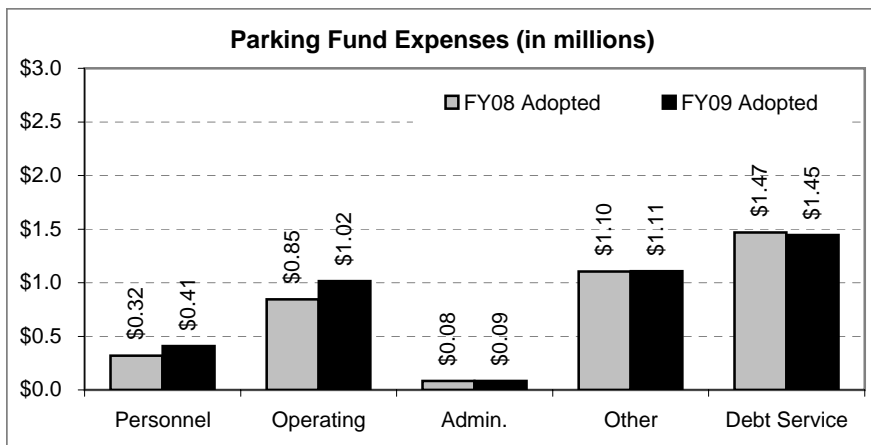
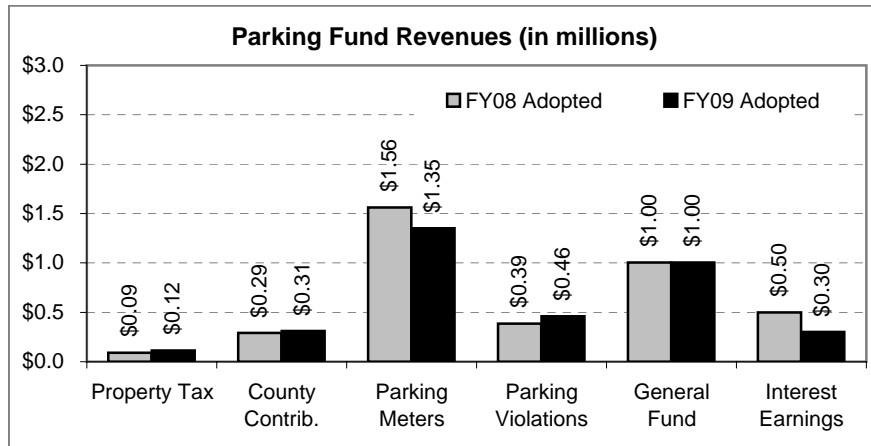
Parking Fund Revenues	Actual FY07	Adopted FY08	Adopted FY09	% Change
Real Property Tax	90,000	90,000	115,000	27.8%
County Contribution	310,000	290,000	310,000	6.9%
Parking Meters	211,566	1,561,000	1,350,416	-13.5%
Parking Violations	480,555	386,000	460,000	19.2%
Transfer from General Fund (City PILOT)	-	53,000	53,000	0.0%
From General Fund	1,172,224	950,000	950,000	0.0%
Premium on Bonds Sold	2,553	-	-	N/A
Interest Earnings	866,945	500,000	300,000	-40.0%
Appr. Net Assets	-	-	523,984	N/A
<b>Total</b>	<b>3,133,843</b>	<b>3,830,000</b>	<b>4,062,400</b>	<b>6.1%</b>

Parking Fund Expenses	Actual FY07	Adopted FY08	Adopted FY09	% Change
Salaries	145,737	248,800	316,292	27.1%
Benefits	40,168	71,900	85,975	19.6%
Overtime	874	-	6,500	N/A
Personnel Subtotal	186,780	320,700	408,767	27.5%
Contractual Services	133,969	686,061	705,681	2.9%
Commodities	27,550	159,379	310,452	94.8%
Operating Subtotal	161,519	845,440	1,016,133	20.2%
Capital Outlays	-	-	-	N/A
Administrative Charge	80,000	82,400	85,000	3.2%
Other / Transfers	8,680,984	1,104,100	1,106,500	0.2%
Addition to Net Assets	-	8,460	-	-100.0%
Debt Service	1,499,601	1,468,900	1,446,000	-1.6%
<b>Total</b>	<b>10,608,884</b>	<b>3,830,000</b>	<b>4,062,400</b>	<b>6.1%</b>

Parking Fund by Department	Actual FY07	Adopted FY08	Adopted FY09	% Change
CPDS	165,658	798,780	-	-100.0%
Police	175,904	316,352	339,287	7.2%
Public Works	3,287	3,508	11,280	221.6%
Recreation and Parks	-	21,100	1,047,095	4862.5%
Non-Departmental	10,264,035	2,690,260	2,664,738	-0.9%
<b>Total</b>	<b>10,608,884</b>	<b>3,830,000</b>	<b>4,062,400</b>	<b>6.1%</b>



# Enterprise Funds - Parking Fund

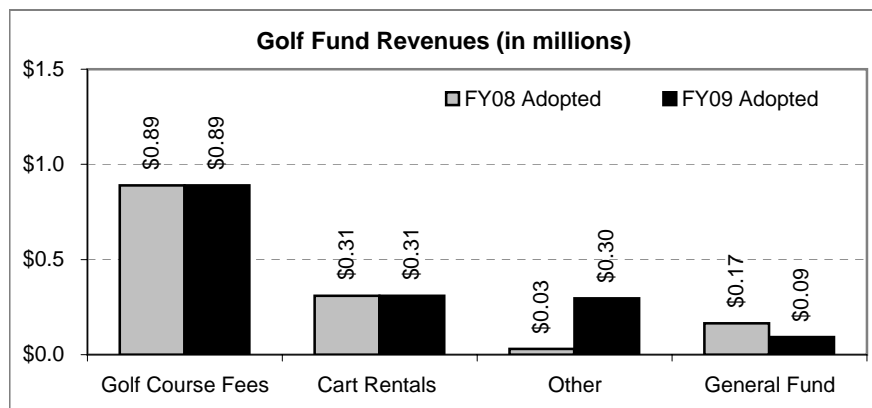


# Enterprise Funds - RedGate Golf Course Fund

## RedGate Golf Course

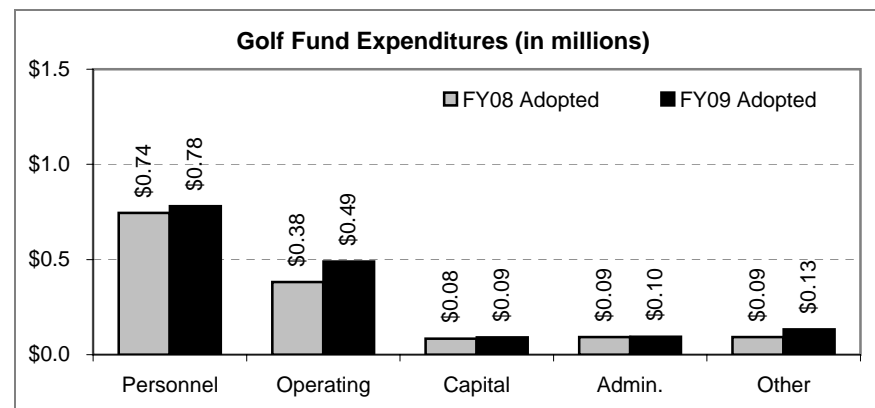
The RedGate Golf Course Fund is used to account for the financial activity associated with the City's public golf course. Revenue projections are based on the average fee per round of play multiplied by the total estimated rounds per fiscal year, and added to the estimated revenue from golf cart rentals. RedGate Golf Course Fund revenues are estimated at \$1,219,173 net of the General Fund transfer for FY 2009. A study that analyzed the financial situation of the golf course was presented to the Mayor and Council in March 2006. To address the deficit in the Fund, the administrative charge was reduced by 50 percent starting in FY 2007, marketing efforts were intensified, and there are capital improvements currently being made to the course that are being funded by a transfer from the General Fund to the Golf Fund.

Golf Fund Revenues	Actual FY07	Adopted FY08	Adopted FY09	% Change
Golf Course Fees	869,521	889,576	889,576	0.0%
Cart Rentals	252,324	309,832	309,832	0.0%
Pro Shop Rental	4,250	4,250	4,250	0.0%
Driving Range Fee	1,480	1,605	1,605	0.0%
Concessions / Other	20,073	13,910	13,910	0.0%
Trans. from General Fund	114,500	165,000	93,000	-43.6%
Approp. Net Assets	-	10,509	275,745	2523.9%
<b>Total</b>	<b>1,262,149</b>	<b>1,394,682</b>	<b>1,587,918</b>	<b>13.9%</b>



Golf Fund Expenditures	Actual FY07	Adopted FY08	Adopted FY09	% Change
Salaries	525,106	574,726	598,281	4.1%
Benefits	121,745	143,200	155,000	8.2%
Overtime	17,247	26,782	26,800	0.1%
<b>Personnel Subtotal</b>	<b>664,097</b>	<b>744,708</b>	<b>780,081</b>	<b>4.7%</b>
Contractual Services	127,751	153,267	164,435	7.3%
Commodities	226,227	228,171	324,566	42.2%
<b>Operating Subtotal</b>	<b>353,978</b>	<b>381,438</b>	<b>489,001</b>	<b>28.2%</b>
Capital Outlays	33,210	83,736	91,236	9.0%
Administrative Charge	89,500	92,200	95,000	3.0%
Other / Transfers	129,387	80,100	120,100	49.9%
Debt Service	12,330	12,500	12,500	0.0%
<b>Total</b>	<b>1,282,502</b>	<b>1,394,682</b>	<b>1,587,918</b>	<b>13.9%</b>

Golf Fund by Department	Actual FY07	Adopted FY08	Adopted FY09	% Change
Public Works	8,945	13,450	16,486	22.6%
Recreation and Parks	993,862	1,151,832	1,295,349	12.5%
Non-Departmental	279,695	229,400	276,083	20.4%
<b>Total</b>	<b>1,282,502</b>	<b>1,394,682</b>	<b>1,587,918</b>	<b>13.9%</b>



# Special Revenue Funds - Special Activities Fund

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted by legal and regulatory provisions to finance specific activities. Included in the special revenue funds are the Special Activities, Community Development Block Grant, Town Center Management District, and Speed Camera funds.

## Special Activities Fund

The Special Activities Fund receives revenues from fundraising activities by such groups as the Rockville Seniors Inc, the Mansion Gift Shop Docents, and a variety of corporations and community service organizations. Other examples are funds raised for the annual Bike Ride for Rockville, donations from event sponsors, and the Holiday Drive.

Special Activities Fund Revenues	Actual FY07	Adopted FY08	Adopted FY09	% Change
Mansion Rentals	15,000	16,000	20,000	25.0%
Community Contributions	117,340	115,500	165,500	43.3%
Developer Contribution	295,472	950,000	150,000	-84.2%
Other / Money & Prop.	23,569	7,850	7,600	-3.2%
Approp. Net Assets	-	646,960	1,438,512	122.3%
<b>Total</b>	<b>451,382</b>	<b>1,736,310</b>	<b>1,781,612</b>	<b>2.6%</b>

Special Activities Fund Expenditures	Actual FY07	Adopted FY08	Adopted FY09	% Change
Salaries	13,957	18,700	19,747	5.6%
Benefits	2,518	4,608	4,700	2.0%
Overtime	-	-	-	N/A
Personnel Subtotal	16,475	23,308	24,447	4.9%
Contractual Services	-	7,000	-	-100.0%
Commodities	66,273	305,920	162,190	-47.0%
Operating Subtotal	66,273	312,920	162,190	-48.2%
Capital Outlays	20,834	971,173	170,000	-82.5%
Other / Transfers	103,018	428,909	1,424,975	232.2%
<b>Total</b>	<b>206,600</b>	<b>1,736,310</b>	<b>1,781,612</b>	<b>2.6%</b>

Special Activities Fund by Department	Actual FY07	Adopted FY08	Adopted FY09	% Change
CPDS	-	295,742	-	N/A
Police	700	1,000	1,545	54.5%
Public Works	-	950,000	1,434,511	51.0%
Recreation and Parks	205,900	489,838	345,556	-29.5%
<b>Total</b>	<b>206,600</b>	<b>1,736,580</b>	<b>1,781,612</b>	<b>2.6%</b>

Special Activities Fund by Program	Actual FY07	Adopted FY08	Adopted FY09	% Change
Bikeway Program	20,060	54,465	38,043	-30.2%
Croydon Creek Nature Center	2,302	16,936	14,339	-15.3%
"Every 15 Minutes" Prog.	700	1,000	1,545	54.5%
Facilities and Equip.	6,171	20,163	20,163	0.0%
Forest and Tree Preservation	46,314	68,156	65,743	-3.5%
Friends of the Arts	3,940	189,508	10,400	-94.5%
Glenview Mansion	20,834	21,173	20,000	-5.5%
Holiday Drive	17,314	34,934	41,156	17.8%
Housing Opportunities *	-	295,472	-	-100.0%
Park Maintenance **	-	-	50,000	N/A
Recreation	80,230	52,585	48,500	-7.8%
Rockville Individual Self Empowerment	3,262	-	-	N/A
Rockville Emergency Assistance Program	-	24,068	30,092	25.0%
Senior Assistance	5,474	7,850	7,120	-9.3%
Transportation Demand Management *	-	950,000	1,434,511	51.0%
<b>Total</b>	<b>206,600</b>	<b>1,736,310</b>	<b>1,781,612</b>	<b>2.6%</b>

\* These programs transferred from the Capital Improvements Program to the Special Activities Fund from adopted FY 2007 to adopted FY 2008.

\*\* This program was added as a Special Activity Fund account mid-FY 2008.

# Special Revenue Funds - CDBG and Town Center Management

## Community Development Block Grant Fund

The Community Development Block Grant (CDBG) Fund is a special revenue fund supported by a sub-grant of federal funds via Montgomery County. The annual budget for this fund consists of unexpended prior years' grants as well as the next year's anticipated grant and is based on the latest information available from Montgomery County.

CDBG Fund Revenues *	Actual FY07	Adopted FY08	Adopted FY09	% Change
CDBG Block Grant	274,773	304,000	304,000	0.0%
Prior Years' Approp.	N/A	380,000	304,000	-20.0%
<b>Total</b>	<b>274,773</b>	<b>684,000</b>	<b>608,000</b>	<b>-11.1%</b>

CDBG Fund Expenditures *	Actual FY07	Adopted FY08	Adopted FY09	% Change
Salaries	66,019	66,000	70,000	6.1%
Benefits	9,455	-	-	N/A
Overtime	-	-	-	N/A
Personnel Subtotal	75,474	66,000	70,000	6.1%
Contractual Services	199,299	238,000	234,000	-1.7%
Commodities	-	-	-	N/A
Operating Subtotal	199,299	238,000	234,000	-1.7%
Prior Year Expenditures	N/A	380,000	304,000	-20.0%
<b>Total</b>	<b>274,773</b>	<b>684,000</b>	<b>608,000</b>	<b>-11.1%</b>

CDBG Fund by Department *	Actual FY07	Adopted FY08	Adopted FY09	% Change
CPDS	274,773	684,000	608,000	-11.1%
<b>Total</b>	<b>274,773</b>	<b>684,000</b>	<b>608,000</b>	<b>-11.1%</b>

\* Actual FY07 represents one fiscal year, while Adopted FY08 and Adopted FY09 represent the current fiscal year plus the prior years' appropriations or expenditures.

## Town Center Management District Fund

FY 2009 is the second year that two special taxing districts, the Town Square Street and Area Lighting District and the Town Square Commercial District, will support the operations and maintenance costs of the Town Center Management District which is managed by Federal Realty.

The Town Square Street and Area Lighting Tax District will levy a real property tax of \$0.105 per \$100 of assessed value on residential and commercial properties within the Town Square boundaries. The GDA limits the annual tax revenue that comes from the residential properties within this District to \$140,490 for the first two years, and this is the second and final year for this limitation. Staff anticipates that the tax rate will yield approximately \$140,000 from residential and \$55,000 from commercial properties for a total of \$195,000. The Town Square Commercial Tax District will levy a property tax of \$1.20 per \$100 of assessed value on commercial property within the Town Square boundaries. Staff anticipates that this tax rate will yield approximately \$625,000.

TCMD Fund Revenues	Actual FY07	Adopted FY08	Adopted FY09	% Change
Real Property Tax	-	721,098	820,090	13.7%
<b>Total</b>	<b>-</b>	<b>721,098</b>	<b>820,090</b>	<b>13.7%</b>

TCMD Fund Expenditures	Actual FY07	Adopted FY08	Adopted FY09	% Change
Salaries	25,437	-	-	N/A
Benefits	5,206	-	-	N/A
Overtime	-	-	-	N/A
Personnel Subtotal	30,643	-	-	N/A
Contractual Services	-	721,098	820,090	13.7%
Commodities	-	-	-	N/A
Operating Subtotal	-	721,098	820,090	13.7%
<b>Total</b>	<b>30,643</b>	<b>721,098</b>	<b>820,090</b>	<b>13.7%</b>

TCMD Fund by Department	Actual FY07	Adopted FY08	Adopted FY09	% Change
CPDS	30,643	721,098	820,090	13.7%
<b>Total</b>	<b>30,643</b>	<b>721,098</b>	<b>820,090</b>	<b>13.7%</b>

# Special Revenue Funds - Speed Camera Fund

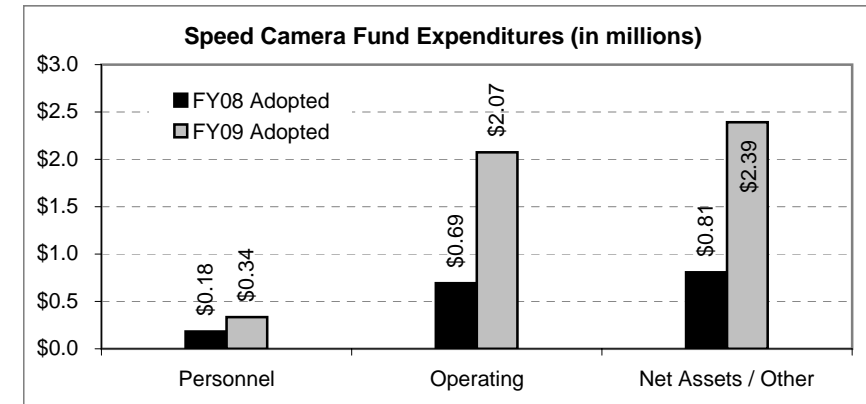
## Speed Camera Fund

The Speed Camera Fund, a special revenue fund created in late FY 2007, is used to track revenues and expenses associated with the City's speed camera program. This program, which is designed to save lives by getting drivers to slow down on residential streets, will have a significant financial impact on City finances. Though program revenue is not available for general City operations, it is available to enhance traffic and pedestrian safety programs and projects in the operating budget and in the capital improvements program budget. For FY 2009, the Speed Camera operating budget includes 2.0 new Police Officers that will serve in the City's Directed Patrol Unit and 0.5 Civil Engineer that will assist with the design of sidewalks and pedestrian walkways. In addition, the FY 2009 CIP includes Speed Camera Funding for the Pedestrian Safety project, the Street Lighting Improvements project, and Pedestrian Bikeway Systems Improvements project.

Speed Camera Fund Revenues	Actual FY07	Adopted FY08	Adopted FY09	% Change
Speed Camera Citations	81,991	1,684,200	4,800,000	185.0%
<b>Total</b>	<b>81,991</b>	<b>1,684,200</b>	<b>4,800,000</b>	<b>185.0%</b>

Speed Camera Fund Expenditures	Actual FY07	Adopted FY08	Adopted FY09	% Change
Salaries	42,377	141,600	262,532	85.4%
Benefits	6,383	41,500	69,061	66.4%
Overtime	-	-	4,000	N/A
Personnel Subtotal	48,760	183,100	335,593	83.3%
Contractual Services	38,149	689,012	2,010,137	191.7%
Commodities	2,115	3,300	63,972	1838.5%
Operating Subtotal	40,264	692,312	2,074,109	199.6%
Capital Outlays	18,855	-	-	N/A
Other / Transfers	-	-	3,000	N/A
Addition to Net Assets	-	808,788	2,387,298	195.2%
Debt Service	-	-	-	N/A
<b>Total</b>	<b>107,879</b>	<b>1,684,200</b>	<b>4,800,000</b>	<b>185.0%</b>

Speed Camera Fund by Department	Actual FY07	Adopted FY08	Adopted FY09	% Change
Police	106,058	872,412	2,312,056	165.0%
Public Works	-	3,000	100,608	3253.6%
Non-Departmental	1,821	808,788	2,387,336	195.2%
<b>Total</b>	<b>107,879</b>	<b>1,684,200</b>	<b>4,800,000</b>	<b>185.0%</b>



# Debt Service Fund

## Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The fund includes expenditures for the payment of principal and interest due and service charges on debt, other than that supported by enterprise fund revenue. Applicable charts within the budget document present the Debt Service Fund separately after a subtotal has been reached. This is due to the fact that the Debt Service Fund represents the budgeting of transfers from other funds so that there is essentially a double-budgeting effect when the Debt Service Fund records the same expenditure.

Debt Service Fund Revenues	Actual FY07	Adopted FY08	Adopted FY09	% Change
Interest Earnings	268,936	330,000	321,000	-2.7%
Assessments	283,025	210,000	210,000	0.0%
Trans. from General Fund	5,650,800	4,905,892	4,483,929	-8.6%
Approp. Fund Balance	-	65,000	215,071	230.9%
<b>Total</b>	<b>6,202,761</b>	<b>5,510,892</b>	<b>5,230,000</b>	<b>-5.1%</b>

Debt Service Fund Expenditures	Actual FY07	Adopted FY08	Adopted FY09	% Change
Principal	4,105,428	4,033,922	3,468,000	-14.0%
Interest	1,545,312	1,411,970	1,697,000	20.2%
Other Charges	6,952	65,000	65,000	0.0%
<b>Total</b>	<b>5,657,692</b>	<b>5,510,892</b>	<b>5,230,000</b>	<b>-5.1%</b>

Debt Service Fund by Department	Actual FY07	Adopted FY08	Adopted FY09	% Change
Non-Departmental	5,657,692	5,510,892	5,230,000	-5.1%
<b>Total</b>	<b>5,657,692</b>	<b>5,510,892</b>	<b>5,230,000</b>	<b>-5.1%</b>

## Long-Term Debt Summary

The following is a list of the notes / bonds included in the City's long-term debt:

General Long-Term Debt	Year	Outstanding Principal	Interest Rate Range	Final Maturity
General Improvements	1998	750,000	3.50-4.30%	2013
General Improvements	2002	1,746,905	4.00-4.65%	2021
General Improvements	2003	7,581,395	2.00-3.85%	2023
General Improvements Refunding	2003	2,005,468	2.00-3.00%	2013
General Improvements	2004	9,120,000	4.00-5.00%	2029
Loan Payable	2005	348,346	2.00%	2012
General Improvements	2005	12,220,000	3.50-6.00%	2025
General Improvements	2007	9,890,000	4.00-4.25%	2027
<b>Total</b>		<b>43,662,114</b>		

Enterprise Funds Long-Term Debt	Year	Outstanding Principal	Interest Rate Range	Final Maturity
General Improvements	1999	1,750,915	3.21%	2019
General Improvements	2000	1,364,323	3.64%	2020
General Improvements	2002	2,744,385	1.90%	2023
General Improvements	2002	2,218,255	4.00-4.65%	2021
General Improvements	2003	2,463,605	2.00-3.88%	2023
General Improvements	2003	819,532	2.00-3.00%	2013
General Improvements	2004	6,730,000	4.00-5.00%	2029
General Improvements	2005	1,235,273	0.00%	2025
General Improvements	2005	38,990,000	3.50-6.00%	2036
General Improvements	2007	10,520,000	4.00-4.25%	2027
<b>Total</b>		<b>68,836,288</b>		

The City anticipates that all amounts required for payment of interest and principal on business-type activities debt will be provided from the respective fund's revenues, which are secured by the full faith and credit and taxing power of the City.

# Debt Service Fund

**General Fund Long-Term Debt Detail**

	Principal	Interest	Total
2009	3,467,981	1,696,948	5,164,929
2010	3,464,031	1,568,977	5,033,008
2011	3,007,298	1,451,286	4,458,584
2012	2,982,120	1,345,920	4,328,040
2013	2,742,536	1,239,826	3,982,362
2014	2,425,061	1,136,055	3,561,116
2015	2,425,061	1,043,706	3,468,767
2016	2,425,061	953,354	3,378,415
2017	2,425,061	856,311	3,281,372
2018	2,425,061	758,222	3,183,283
2019	2,425,061	660,729	3,085,790
2020	2,425,061	562,662	2,987,723
2021	2,425,140	463,455	2,888,595
2022	2,285,678	363,280	2,648,958
2023	2,281,903	268,875	2,550,778
2024	1,780,000	172,525	1,952,525
2025	1,210,000	94,113	1,304,113
2026	520,000	44,200	564,200
2027	520,000	22,100	542,100
<b>Total</b>	<b>43,662,114</b>	<b>14,702,544</b>	<b>58,364,658</b>

**Water Fund Long-Term Debt Detail**

	Principal	Interest	Total
2009	915,668	380,326	1,295,994
2010	919,339	350,076	1,269,415
2011	836,866	321,887	1,158,753
2012	842,027	294,766	1,136,793
2013	817,561	267,457	1,085,018
2014	799,834	240,110	1,039,944
2015	812,289	213,456	1,025,745
2016	825,117	187,327	1,012,444
2017	838,332	153,664	991,996
2018	602,863	115,356	718,219
2019	685,964	96,853	782,817
2020	508,966	68,307	577,273
2021	375,350	48,487	423,837
2022	379,157	40,535	419,692
2023	383,058	32,566	415,624
2024	244,080	14,438	258,518
2025	175,000	7,219	182,219
<b>Total</b>	<b>10,961,471</b>	<b>2,832,830</b>	<b>13,794,301</b>

**Sewer Fund Long-Term Debt Detail**

	Principal	Interest	Total
2009	1,238,825	742,033	1,980,858
2010	1,236,554	693,760	1,930,314
2011	1,183,565	649,780	1,833,345
2012	1,176,752	606,761	1,783,513
2013	1,142,687	563,496	1,706,183
2014	1,110,135	519,209	1,629,344
2015	1,105,136	475,688	1,580,824
2016	1,105,136	433,594	1,538,730
2017	1,105,136	388,356	1,493,492
2018	1,100,135	342,841	1,442,976
2019	1,100,136	298,055	1,398,191
2020	1,100,135	253,044	1,353,179
2021	1,100,370	207,673	1,308,043
2022	924,518	162,063	1,086,581
2023	923,478	124,417	1,047,895
2024	785,000	86,301	871,301
2025	650,000	52,737	702,737
2026	305,000	25,924	330,924
2027	305,000	12,962	317,962
<b>Total</b>	<b>18,697,698</b>	<b>6,638,694</b>	<b>25,336,392</b>

**Refuse Fund Long-Term Debt Detail**

	Principal	Interest	Total
2009	375,000	132,320	507,320
2010	375,000	116,600	491,600
2011	375,000	101,700	476,700
2012	375,000	86,800	461,800
2013	375,000	71,900	446,900
2014	375,000	56,900	431,900
2015	365,000	41,900	406,900
2016	345,000	27,400	372,400
2017	340,000	13,600	353,600
<b>Total</b>	<b>3,300,000</b>	<b>649,120</b>	<b>3,949,120</b>

# Debt Service Fund

**Parking Fund Long-Term Debt Detail**

	Principal	Interest	Total
2009	675,000	1,445,461	2,120,461
2010	710,000	1,413,061	2,123,061
2011	735,000	1,387,511	2,122,511
2012	760,000	1,361,061	2,121,061
2013	785,000	1,333,711	2,118,711
2014	820,000	1,302,312	2,122,312
2015	850,000	1,269,512	2,119,512
2016	885,000	1,238,699	2,123,699
2017	920,000	1,201,086	2,121,086
2018	960,000	1,161,894	2,121,894
2019	1,000,000	1,122,714	2,122,714
2020	1,040,000	1,081,894	2,121,894
2021	1,080,000	1,039,244	2,119,244
2022	1,125,000	994,669	2,119,669
2023	1,175,000	948,059	2,123,059
2024	1,220,000	898,609	2,118,609
2025	1,275,000	846,053	2,121,053
2026	1,330,000	791,140	2,121,140
2027	1,390,000	733,040	2,123,040
2028	1,450,000	672,300	2,122,300
2029	1,515,000	608,350	2,123,350
2030	1,580,000	541,525	2,121,525
2031	1,645,000	474,375	2,119,375
2032	1,715,000	404,463	2,119,463
2033	1,790,000	331,575	2,121,575
2034	1,865,000	255,500	2,120,500
2035	1,945,000	173,906	2,118,906
2036	2,030,000	88,813	2,118,813
<b>Total</b>	<b>34,270,000</b>	<b>25,120,537</b>	<b>59,390,537</b>

**Golf Fund Long-Term Debt Detail**

	Principal	Interest	Total
2009	24,804	12,116	36,920
2010	24,803	11,526	36,329
2011	24,803	10,869	35,672
2012	24,803	10,162	34,965
2013	24,804	9,418	34,222
2014	24,803	8,674	33,477
2015	24,803	7,930	32,733
2016	24,804	7,156	31,960
2017	24,804	6,349	31,153
2018	24,803	5,505	30,308
2019	24,803	4,637	29,440
2020	24,803	3,744	28,547
2021	24,804	2,827	27,631
2022	24,803	1,896	26,699
2023	24,618	954	25,572
<b>Total</b>	<b>371,865</b>	<b>103,763</b>	<b>475,628</b>

**SWM Fund Long-Term Debt Detail**

	Principal	Interest	Total
2009	72,663	-	72,663
2010	72,663	-	72,663
2011	72,663	-	72,663
2012	72,663	-	72,663
2013	72,663	-	72,663
2014	72,663	-	72,663
2015	72,663	-	72,663
2016	72,663	-	72,663
2017	72,663	-	72,663
2018	72,663	-	72,663
2019	72,663	-	72,663
2020	72,663	-	72,663
2021	72,663	-	72,663
2022	72,663	-	72,663
2023	72,664	-	72,664
2024	72,664	-	72,664
2025	72,664	-	72,664
<b>Total</b>	<b>1,235,274</b>	<b>-</b>	<b>1,235,274</b>



# Statement of Projected Unreserved Equity in City Funds

This schedule depicts the anticipated beginning and ending unreserved fund balance (or, in the case of an enterprise fund, working capital as defined as current assets less current liabilities) for each of the City's funds. Unreserved fund balance is the accumulated total of all prior years' actual revenues in excess of expenditures, commonly referred to as "surplus." These amounts are not invested in capital assets nor have they been committed or "reserved" for encumbrances, self-insurance, or other purposes.

It is important to maintain a fund balance to ensure that City operations are not unduly affected by large, unexpected increases in expenditures or reductions in revenues. For example, a sustained economic slowdown could result in stagnant property and income tax receipts that would necessitate the use of fund balances. Furthermore, healthy fund balances allow the City to maintain high bond ratings, which reduces the cost of borrowing.

Fund	Proj. Fund Balance / Working Capital 6/30/08	Plus Proj. FY09 Revenue	Less Proj. FY09 Expenditure	Proj. Fund Balance / Working Capital 6/30/09
General	11,139,883	61,836,373	61,836,373	11,139,883
Water *	(1,539,532)	6,115,000	7,041,715	(2,466,247)
Sewer	2,898,082	6,655,000	6,943,150	2,609,932
Refuse	1,215,993	5,757,000	5,679,998	1,292,995
Parking	4,604,836	3,538,416	4,062,400	4,080,852
SWM	7,775,507	1,000,000	2,259,382	6,516,125
RedGate Golf **	(721,108)	1,312,173	1,587,918	(996,853)
Special Act. ***	1,906,984	343,100	1,781,612	468,472
CDBG ***	-	608,000	608,000	-
Town Center ***	-	820,090	820,090	-
Speed Camera ***	2,229,788	4,800,000	2,412,702	4,617,086
Debt Service	4,484,231	5,014,929	5,230,000	4,269,160
<b>Total</b>	<b>33,994,664</b>	<b>97,800,081</b>	<b>100,263,340</b>	<b>31,531,405</b>


## Notes:

\* Significant rate increases will begin in FY 2009 to restore the Water Fund's balance.

\*\* FY 2009 is the third year of a five-year business plan that addresses the condition of the course, number of rounds played, and the overall negative fund balance.

\*\*\* These funds are designated as special revenue funds. Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted by legal and regulatory provisions to finance specific activities. The City does not have a policy about maintaining a balance in these funds.





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